

6 September 1963

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# WEEKLY SUMMARY

## OFFICE OF CURRENT INTELLIGENCE

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# CENTRAL INTELLIGENCE AGENCY

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Cuba

## CUBA AND THE TEST BAN TREATY

Cuba has failed thus far to signify any intention of signing the limited nuclear test ban treaty, apparently wishing to avoid commitment on a sore issue in the Sino-Soviet dispute. Cuban diplomatic officers abroad have been instructed to avoid offense to either the Soviets or the Chinese, and Fidel Castro has admitted that the problem posed by the Sino-Soviet dispute is under high-level review in his regime.

There is apparently another reason for Havana's silence on the treaty. Official Cuban statements of the past several weeks have hinted at a growing realization that any trend toward improved US-Soviet rela-

tions would not automatically mean any alteration in US policy toward the Castro regime. Castro therefore may see the test ban treaty as the first of a series of developments toward a US-Soviet detente that might ultimately weaken Soviet support of his regime against US pressures.

The US Embassy in Moscow noted on 30 August that Castro's long-delayed reply to Khrushchev's message of congratulations on Cuba's 26 July holiday was couched in militant terms lacking in the Soviet message. Castro stressed the importance of the world-wide "anti-imperialist" struggle, whereas Khrushchev had focused on Cuba's internal "progress."

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## CUBAN FLIGHTS TO BRAZIL

Chartered Cubana Airlines flights between Cuba and Brazil have become a major means of transporting non-Cuban Latin Americans to and from Cuba. The five such flights since late July have carried nearly 400 non-Cubans.

The first of the recent series--on 25 July--brought 71 Latin American passengers to Havana for the 26 July celebrations. The other four flights--on 15, 22, 28, and 29 August--transported over 200 Latin Americans to Brazil from Havana. Some of the aircraft involved returned to Cuba with smaller numbers of passengers. Many of the 200 Latin American passen-

gers had been delegates to the 26 July ceremonies, but others had apparently been in Cuba for longer periods and some had probably received training there. Of the passengers of these four flights to Brazil, 75 were natives of Caribbean area countries. Their circuitous travel through Brazil was evidently designed to help conceal the fact that they had been in Cuba.

Additional Cuban aircraft--as well as a Soviet passenger ship--are to leave Brazil for Cuba later in the month with delegates to the seventh congress of the International Union of Architects, which opens in Havana on 29 September.

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The Communist World

# KHRUSHCHEV'S VISIT TO YUGOSLAVIA

During his stay in Yugoslavia from 20 August to 3 September, Khrushchev labored hard and probably successfully to convince Belgrade of his sincerity in pursuing closer relations and of the mutual benefits to be derived. He covered five of Yugoslavia's six republics, and talked with virtually every leader of national stature. He had numerous private talks with Tito, and gave three major public addresses. The visit has probably carried Yugoslav-Soviet relations to a level not equaled since the 1955-56 rapprochement period.

Khrushchev comported himself as an earthy man-of-the-people and the world's foremost champion of peace. Moreover, he was not above attempting to rekindle memories of Russia as the protector of Europe's Slavs. Everywhere he went, he found something Yugoslav to admire--from the dome of an exhibition hall at Belgrade's fairground to factory workers' councils at Rakovica--and broadly hinted the USSR could learn much from Yugoslavia.

Although Moscow did not report Khrushchev's praise of workers' councils--once cited by the bloc as prime evidence of Tito's heresy--the Yugoslavs have made much of the remark, apparently hoping to represent it as a narrowing of doctrinal differences. The Chinese and Albanians are already using Khrushchev's statement and other aspects of the visit for polemical purposes.

Tito, with one eye on his relations with the West and the

nonaligned states, carefully avoided saying anything during the visit which would imply he had compromised his country's independence. At the same time, he has obviously been pleased, and he generously praised Khrushchev as a leader and the USSR as "the first country of socialism."

Tito implied on 30 August that he and Khrushchev had revived their 1956 agreement which, in declaring their Communist parties equals, had marked the zenith of their previous rapprochement. "Cooperation in certain economic fields has been agreed on and will be expanded," according to Tito. This will constitute "compensation for what has been omitted in the past." Scientific and cultural relations are also to be improved.

Both leaders reiterated that they were agreed on the more important international issues, such as peaceful coexistence and extending assistance to the developing countries.

For the most part Khrushchev's speeches suggested he did not press Tito for any commitments. He did, however, make a strong bid for increased Yugoslav participation in the bloc's division-of-labor schemes--i.e., presumably Yugoslav membership in the bloc's international economic organization (CEMA). Unidentified sources of the Western press claim Yugoslavia's long-standing request for only observer status in CEMA was approved in principle shortly before the Khrushchev visit.

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The Communist World

**SINO-SOVIET QUARREL REACHES NEW PITCH**

Expulsion of two more Chinese--one an embassy functionary--from Czechoslovakia on 2 September for political activity is the latest development in the widening rift between Peiping and the Soviet-oriented bloc.

The Sino-Soviet quarrel has reached a new pitch of intensity in the exchange of verbal blows. The main thrust of Mao Tse-tung's statement on 29 August about the situation in South Vietnam was against the Soviet Union. Although the Chinese leader apparently felt that open personal attacks were beneath his dignity, it seems clear that Mao's sneers were directed at Khrushchev.

On 1 September the Chinese fired back in reply to the Soviet attack of 21 August with an official blast projecting an

image of white-faced fury. Although Peiping charges the USSR with treachery in failing to support Communist China on a broad range of national objectives, Chinese anger is still centered on the issue of nuclear weapons. The scathing language and calculated insults employed by the Chinese leave little more which can be said.

Peiping's calculated violence suggests the Chinese may be attempting to goad the Russians closer to a formal break in diplomatic relations. Moscow, however, is unlikely to accommodate them by making the first move. Although the two powers can be expected to show their antagonism more and more clearly, the trappings of protocol will be maintained for the immediate future.

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Asia-Africa

**SITUATION IN SOUTH VIETNAM**

The Diem government is restoring a facade of political unity and an appearance of order in South Vietnam following the crackdown on the Buddhists two weeks ago. Saigon and other urban centers are outwardly calm, and conditions have returned to near normal.

The regime continues to publicize statements of support from various government-manipulated groups. Progovernment rallies have also been staged in larger towns throughout the country, including Saigon, largely by civil servants and government-sponsored organizations such as the Republican Youth and Women's Solidarity movements.

At the same time, the government is moving rapidly to relax martial law restrictions, reopen schools, and return some functions from military to civilian control. It has announced the release of almost all Buddhists and students arrested since the state-of-emergency declaration and has permitted Buddhist pagodas to reopen under new leaders, who have voiced their confidence in and gratitude for the government's conciliatory policy and for the satisfaction of their demands.

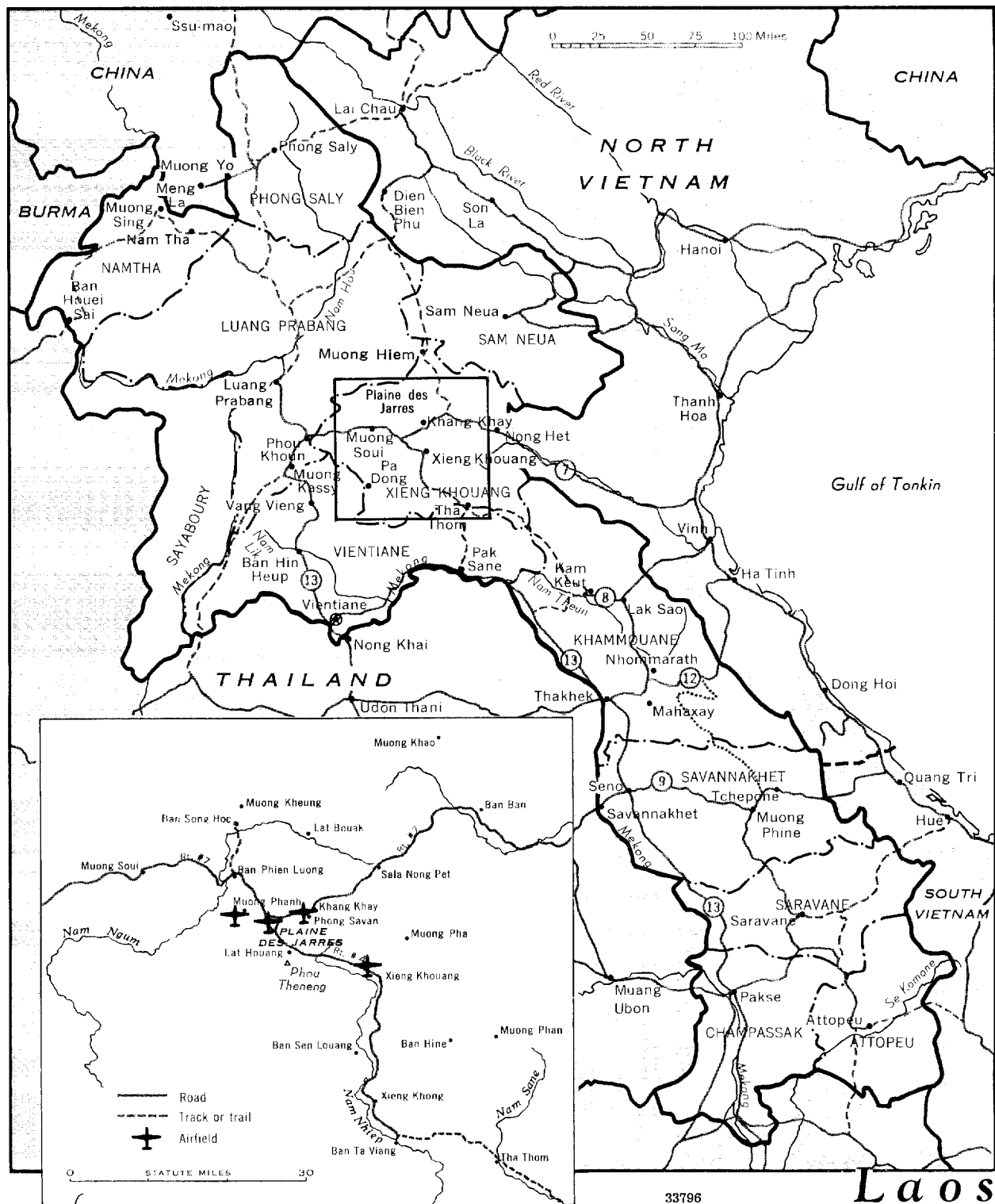
Although there is still no indication when martial law may be lifted, troops are less conspicuous. The Saigon commander, General Dinh, has publicly denied any serious dissidence within the army. The government appears in fact to be maintaining disciplined loyalty from most ranking officers and unit commanders, although one entire Civil Guard company reportedly has deserted as a result of the crisis.

While there has been a drop in the total of government forces fully committed to counterinsurgency operations and some disruption has occurred in rural rehabilitation projects, military pressure on the Viet Cong is being maintained and most civilian agencies charged with direction of provincial programs are functioning normally. The crisis still has had no discernible effect on the pattern of Viet Cong activity. A slight increase in attacks during the past two weeks appears to be a normal step-up which occurs periodically. The absence of intensive Viet Cong military exploitation of the crisis may reflect a wariness of actions which might strengthen the government's hand.

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Asia-Africa

NEW POLITICAL MANEUVERING IN LAOS

Laotian Premier Souvanna Phouma is scheduled to leave Vientiane on 10 September on a trip which will take him to Paris, Washington, and the United Nations. While the primary purpose of the trip appears to be to obtain medical treatment in France, Souvanna has indicated that he wants to discuss recent developments in Laos with Presidents De Gaulle and Kennedy. In New York, he will head the Laotian delegation at the opening of the General Assembly. Souvanna expects to return to Laos before the end of October.

In an effort to restore a semblance of stability to his tripartite government, Souvanna is again trying to smooth the way for the Pathet Lao to resume an active role in the coalition. He has had several meetings with Phoumi Vongvichit, Pathet Lao minister of information, who arrived in Vientiane last week with the terms on which Pathet Lao leader Prince Souphannouvong would return to the capital.

Following these meetings with Vongvichit, Souvanna told Ambassador Unger that he believes the Pathet Lao are "coming around" and will be prepared to cooperate much more than in the past. Souvanna revealed that he had agreed to the formation of a tripartite police force in Vientiane, one of the conditions Souphannouvong had set for his return. Souvanna hopes that General Phoumi, the rightist leader, will show "good faith" and support the creation of the new police force.

Phoumi may agree to some token arrangement to satisfy Souphannouvong's conditions, but he is not likely to allow any such arrangement to undermine his control over the capital.

Meanwhile military activity remains at a low level. Meo and neutralist forces have continued harassing actions along Route 7 near Ban Ban.

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Asia-Africa

**ALGERIAN REGIME CONSOLIDATES DESPITE OPPOSITION**

Premier Ben Bella's easy victory last month in securing the approval of the Algerian Constituent Assembly for his draft constitution seems likely to be repeated when the constitution is submitted to a popular referendum on 8 September. The electorate soon will be called upon to endorse Ben Bella--probably without opposition--as the country's first president.

Ben Bella's opponents, most of whom are erstwhile supporters, are campaigning hard for negative votes in the referendum. They may succeed in some areas of traditional dissidence--such as the Orleansville area, the Kabylie, and the Constantine region--but even here Ben Bella's popularity is still strong.

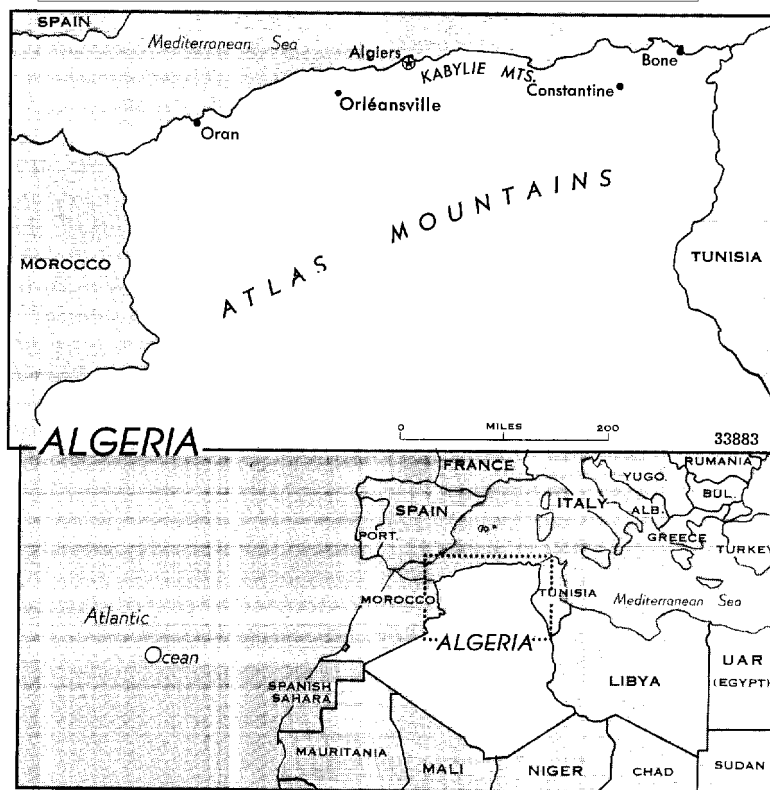
The draft constitution established a single political organization, the National Liberation Front (FLN), as the source of power. With Ben Bella as its head, the FLN executive will continue its attempts to forge a national organization encompassing all facets of Algerian life. Particular attention is being given the army.

Efforts during the past year to unify the body politic and develop a reliable cadre have not been notably successful, however. Recently the FLN's student organization won the first round in its efforts to establish itself as an independent organization by electing a predominantly pro-Communist executive. This success has spurred the illegal Algerian Communist Party again to seek recognition as a separate entity within the FLN.

The draft constitution terms Algeria a socialist state, and detractors of Ben Bella claim he will eventually align openly with Moscow. However, the Algerian ambassador to Washington--one of Ben Bella's closest supporters--has expressed confidence that after he has been elected and has reorganized his government, the premier will seek closer ties with the West.

Ben Bella, a pragmatic rather than a doctrinaire socialist, meanwhile continues to consolidate his position with the support principally of Col. Boumedienne, defense minister and army commander. Boumedienne's forces may be called on to suppress some outbreaks of violence during the next few weeks as Ben Bella's opponents seek to arouse national feeling against him. This alliance may not last over a longer term, however.

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Asia-Africa

# **RECONVENING OF CONGO PARLIAMENT WILL REVIVE CONTROVERSY**

Premier Adoula, as required by law, has called the turbulent Congolese Parliament back into session at Leopoldville, and a new tug of war between the government and the parliamentarians seems in prospect. Hoping to restrict the activities of the deputies and senators, Adoula has designated the Parliament a constituent assembly to complete the long-discussed but still unborn Congo constitution. Parliamentary leaders are already protesting Adoula's move; they insist that they will do business as usual. The parliamentarians have their eyes on the 1964 elections, and there is likely to be even more maneuvering around and against the government than usual.

The danger of antigovernment demonstrations developing out of labor troubles in Leopoldville has abated. Leaders of the government employees union dropped some of their more extreme demands, and the government, disturbed by the role labor played in the recent upheaval across the Congo River in Brazzaville, agreed to negotiate a new civil service statute. Union leaders continue to warn that serious difficulties will occur if the government does not act to reform the currency, to curb inflation, and to narrow the gap between high living standards of ministers and those of the workers. Army patrols meanwhile

are being maintained throughout the capital.

Adoula has formally asked UN Secretary General Thant to retain 3,000 UN troops in the Congo until mid-1964. Thant says he will present Adoula's request in his forthcoming report to the Security Council, but he has told US officials that, without strong African support and improvement in the UN's critical financial situation, he was not optimistic. Lagging financial contributions, Thant said, might force the UN to close its civilian technical operations as well.

A joint force of UN and Congolese troops on 28 August began a "mop-up" of ex-Katangan gendarmes who have been operating in eastern Katanga. So far the ex-gendarmes have merely faded unpursued into the bush. In view of the gradual withdrawal, the joint force probably will not accomplish much.

Tshombé has told US officials in Barcelona that he plans to return to Elisabethville by mid-September. He said he plans to enter the national Congolese political arena and not limit himself to Katangan politics. Tshombé still has wide support in Katanga but it is unlikely he will risk a return without some solid assurances from Leopoldville regarding his personal safety.

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Europe

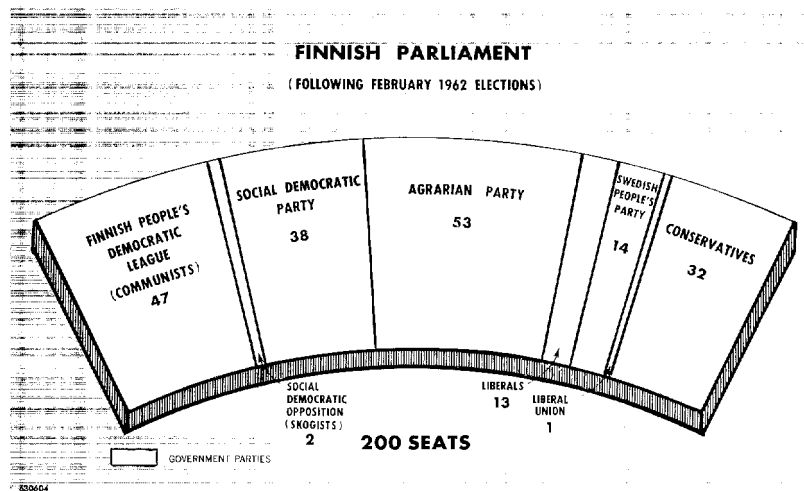
**FINNISH CABINET CRISIS**

The cabinet crisis precipitated on 30 August by the resignation of the three trade union representatives from Prime Minister Karjalainen's Agrarian-led coalition foreshadows a period of political maneuvering in Finland.

The economic issue which toppled the government was a disagreement over a proposed agricultural price increase. The government planned to raise food prices, while the labor representatives demanded subsidies in order to maintain current consumer prices. The three labor members, who represented the leftist-dominated Confederation of Trade Unions (SAK), recently have tended to regard cabinet participation as a liability in the face of increasing criticism of wage policies by the Social Democratic Party and its allied Finnish Trade Union Federation (SAJ). Withdrawal of its representatives from the cabinet leaves the SAK free to advocate its own views on wage policy more aggressively.

Alternatives to the present cabinet, which remains in a caretaker capacity, are few. President Kekkonen's Agrarian Party has long refused to accept Social Democrats in any coalition, arguing that their inclusion would bring Soviet pressures on Finland. Strong objections by a majority of Parliament have prevented inclusion of Communists in a coalition since 1948. The Agrarians maintain that a majority government is necessary to demonstrate wide support for their official policy

of friendship toward the USSR. The four political parties in the Karjalainen coalition represent a parliamentary majority, but the Agrarians insisted when the cabinet was formed in 1962 that the three trade union members also be included in the cabinet to provide labor representation and a counterbalance to the Conservative right.



It is likely therefore that Karjalainen will try to reconstitute the four-party coalition cabinet and again seek to include individuals from outside Parliament who would represent labor. Should the fragmented Finnish trade union movement fail to provide such representatives, however, the Agrarians would probably resort to re-forming a majority government of the present four parties to share the burden of unpopular economic decisions to be made. The remaining alternatives would be a minority government or a non-political "government of experts."

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Western Hemisphere

**AREA NOTES**

**Brazil:** President Goulart has appointed a career diplomat as Brazilian foreign minister [redacted]

Joao Araujo Castro, the new foreign minister, is regarded as a competent professional well informed on current international problems, whose attitude toward the US has been cooperative. His most recent assignment was as secretary general for foreign affairs--the number-two post in the Foreign Ministry. He succeeds extreme leftist Evandro Lins e Silva, whom Goulart recently appointed to the Supreme Court.

The US Embassy, however, believes that Foreign Minister Castro's appointment may be only temporary. Goulart may seek political advantage by replacing Castro in the near future with someone from either his own Brazilian Labor Party or its ally, the Social Democratic Party, both of which apparently feel entitled to the post.

**Bolivia:** The tin miners' union in Bolivia has suspended its strikes, but its agreement to do so seems unlikely to produce an early solution to Bolivia's two-month-long labor controversy.

The accord merely allows additional time for negotiations on the government's proposals for modernizing the operation of the nationalized tin mines, which reportedly lost over \$16 million last year. The government desires to replace several hundred featherbedding workers and institute other reform measures. These proposals remain highly controversial, and further unrest is likely to accompany the government's efforts to implement them. [redacted]

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